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AVERAGE PUBLIC DEBT PER FAMILY

TWELVE years ago we published our first study of local public debt. Annually we have brought this study up to date, charting city by city and year by year from 1909 the average public debt per family exclusive of Federal and State debt. The figures charted cover the total local bonded debt, funded or fixed, including public service enterprises, less sinking fund assets. Short-term loans, which are amortized by special assessment, are excluded.

The 90 charts that follow are drawn to the same scale. Each chart has a red line in addition to the blue line which shows the local experience. The red line is identical on all charts and shows the typical public debt in the principal cities of the United States. By typical we mean that there is an equal number of cities having a debt greater than this typical public debt and an average debt below it. The typical public debt has been declining since 1932, when a peak of \$479 per family was reached. The preliminary figure of \$218 for 1949 indicates that there has been a rise of \$1 from 1948.

In 1948, only 26 per cent of the cities have shown an increase over 1947. These increases have been caused by expanding public service enterprises acquired by the city governments. They include such enterprises as water systems, transportation, hospitals and sanitation plants. Those cities having the largest increases are: El Paso, Texas, with an increase of \$130 per family; Denver, Colorado, \$64; Nashville, Tennessee, \$55; Cleveland, Ohio, \$54; Norfolk, Virginia, \$49; Richmond, Virginia, \$46; and San Francisco, California, \$44.

The cities with the heaviest indebtedness are New York City, \$852 per family; Knoxville, Tennessee, \$810; and Providence, Rhode Island, \$651.

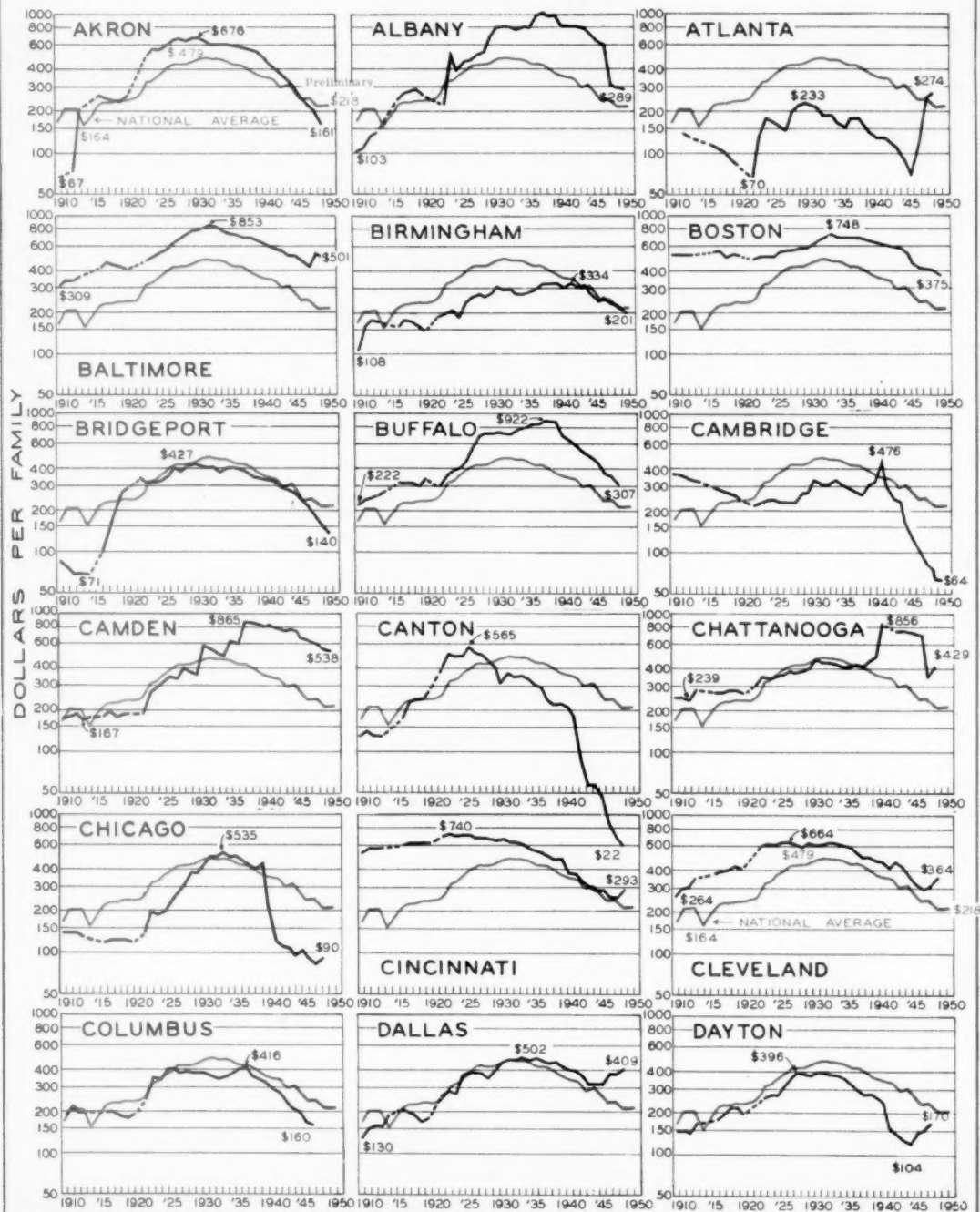
Of the 90 cities, six have a local public debt less than \$25 per family. They are Fort Wayne, Indiana, with an indebtedness of \$24 per family; Flint, Michigan, \$22; Canton, Ohio, \$22; Milwaukee, Wisconsin, \$11; and Peoria, Illinois, \$11. Washington, D. C., reports that there is no bonded indebtedness.

There is every indication that for the next several years local indebtedness will increase rather than continue its present decline. Several reasons for these increases are as follows: (1) New bond issues to acquire land for public housing projects to be sponsored or insured by the Federal government. (2) Some cities are suffering from a lack of educational facilities. With the outlook for increases in school enrollment, bonds will be floated to support such expansion projects.

AVERAGE PUBLIC DEBT PER FAMILY

EXCLUSIVE OF FEDERAL AND STATE

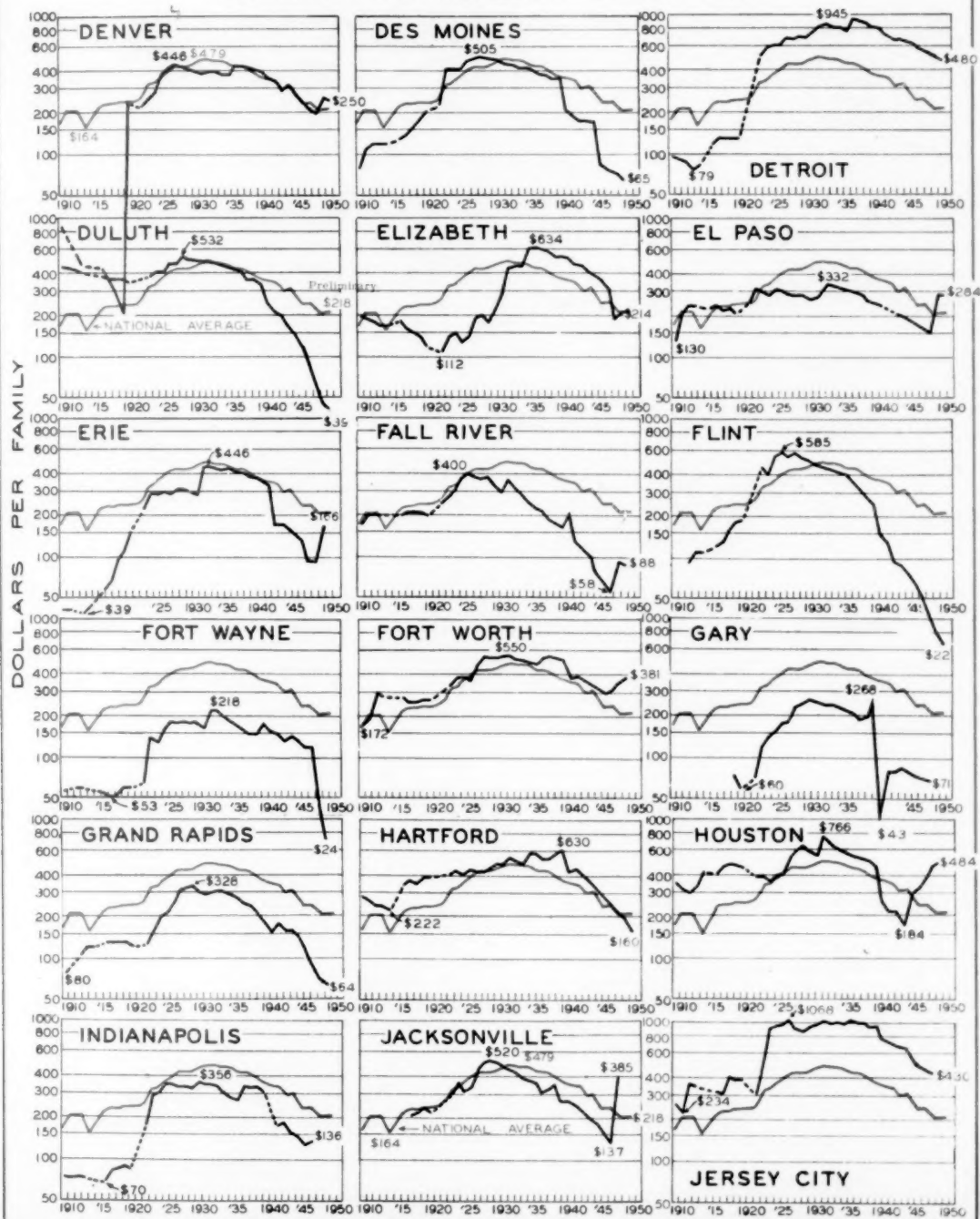
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*NET BONDED PUBLIC DEBT (TOTAL FUNDED OR FIXED, INCLUDING PUBLIC SERVICE ENTERPRISES AND LESS SINKING FUND ASSETS)

AVERAGE PUBLIC DEBT PER FAMILY EXCLUSIVE OF FEDERAL AND STATE

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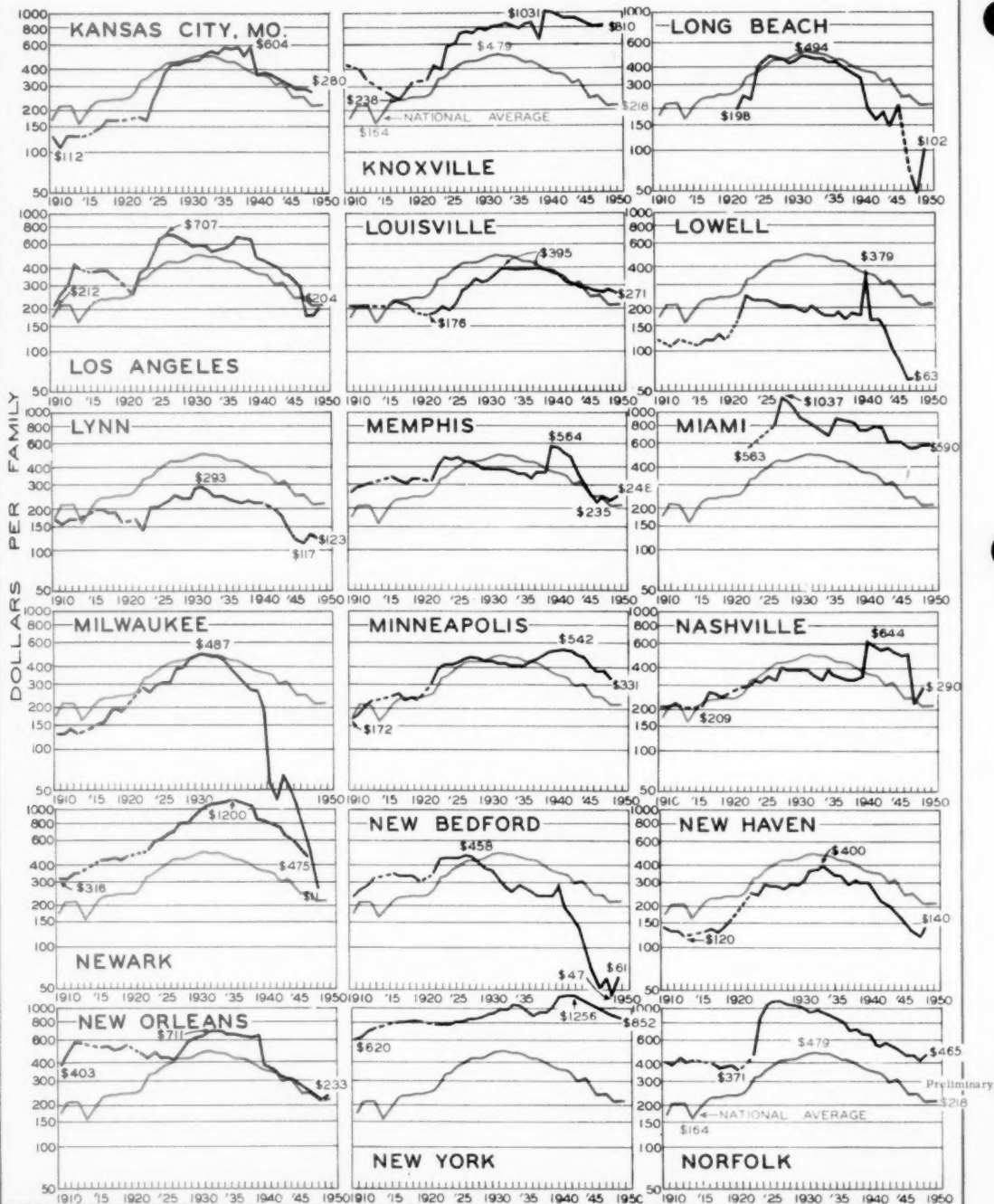


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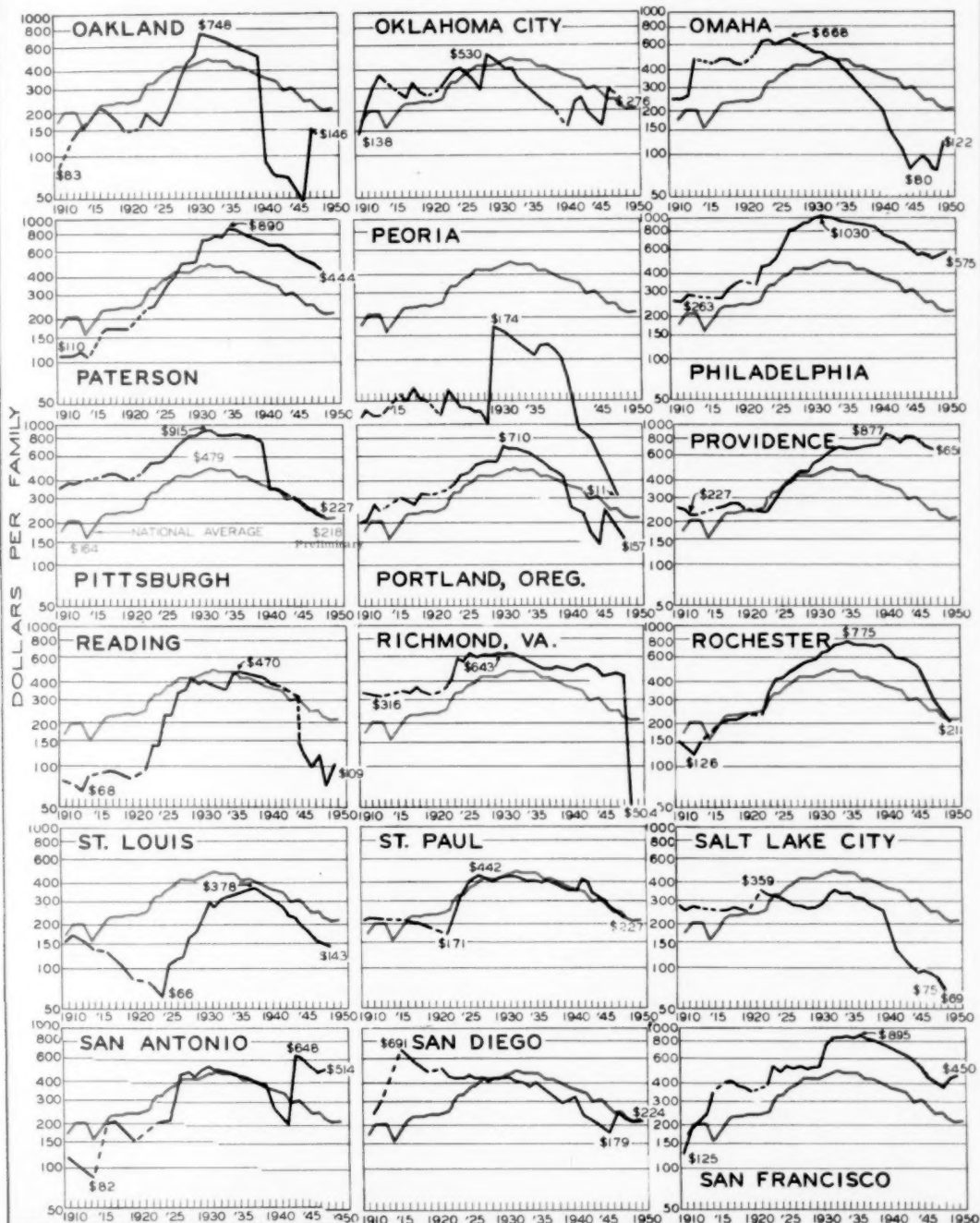
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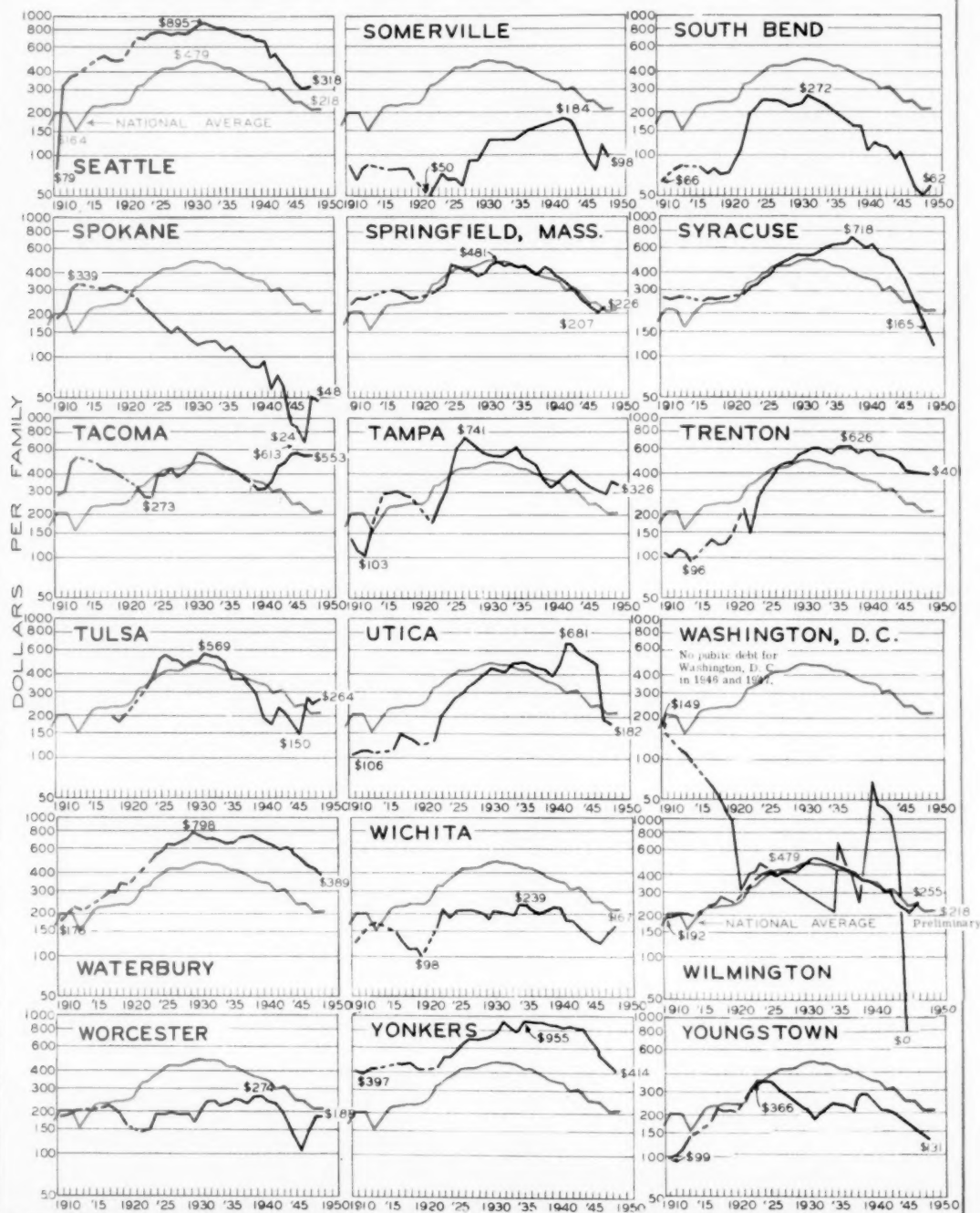


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AVERAGE PUBLIC DEBT PER FAMILY

EXCLUSIVE OF FEDERAL AND STATE

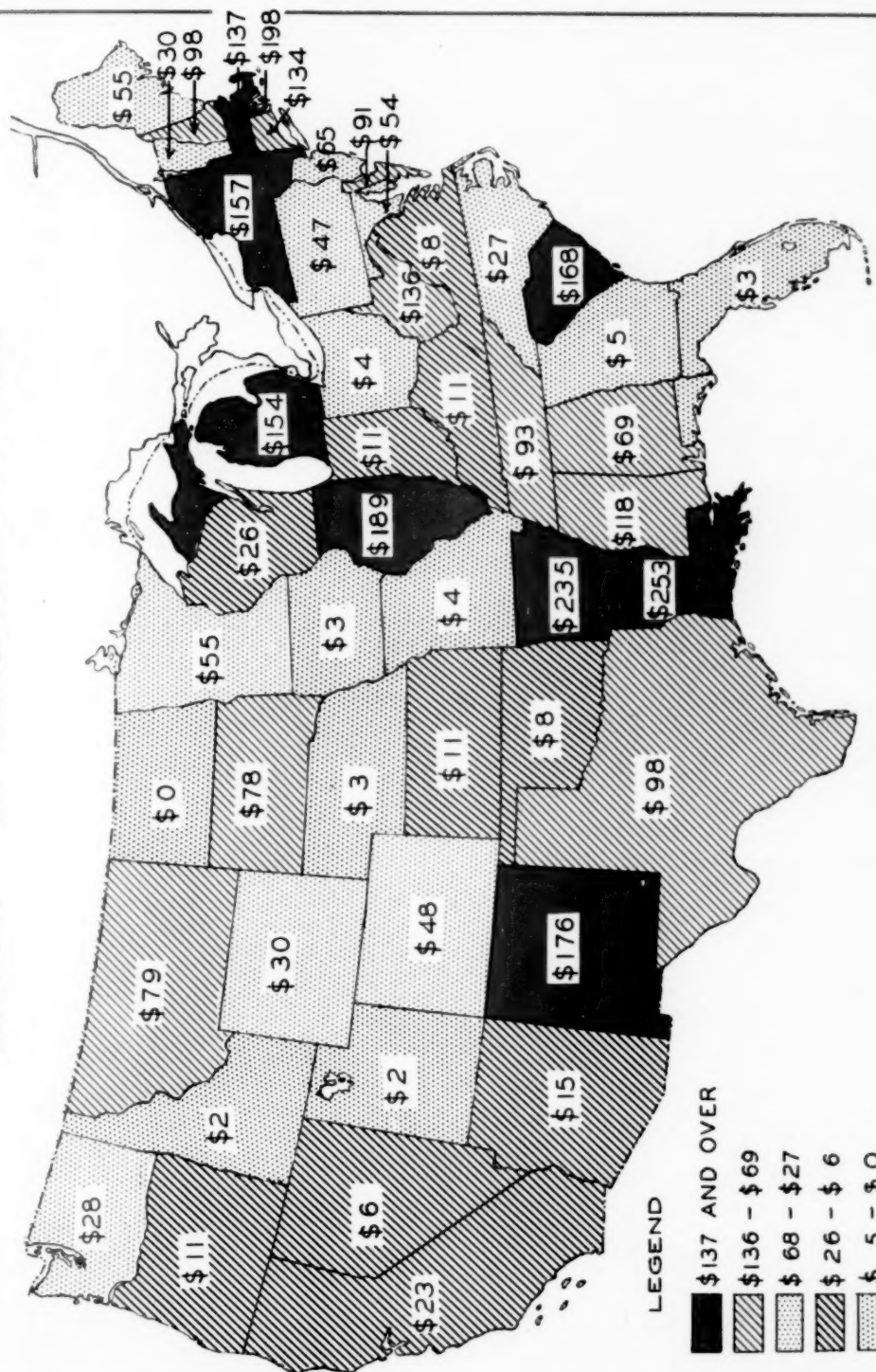
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AVERAGE STATE DEBT PER FAMILY

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FEDERAL AND STATE PUBLIC DEBT

ON page 419 we have ranked the States according to the amount of debt per family in 1948. There are several increases from 1947 to 1948 that have been sizable and worth noting. They are: Connecticut, 362%; Washington, 273%; Indiana, 83%; New York, also 83%; Delaware, 82%; and Massachusetts, 78%. Nevada, where no previous debt was reported, now has a debt of \$6 per family; North Dakota had no debt in 1948.

Federal debt per family has fallen for the fourth straight year. The peak was reached in December 1945, when the debt amounted to \$7,350 per family. The current debt is \$5,994 per family. The steady decline has been due to budget surplus and to the large increase in the number of families. Since the government plans continued increases in expenditures for the next several years, and because a decrease in family formation is likely, we believe that this decline will be arrested and the likelihood of increases becomes apparent.

The chart below completes our study on government debt per family in the United States. It is now possible to approximate the total government debt in any city shown in the study. This is done by adding the city, State and Federal debt per family. Some slight distortion will occur due to the fact that the State and city figures are for 1948, while the Federal figures are as of June 30, 1949.

